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SENSITIVE SIPDIS

STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S SECDEF FOR OSD/ISP JOINT STAFF FOR DD PMA-A FOR WTC COMMERCE FOR BIS (GOLDMAN) NSC FOR LEDDY WINPAC FOR WALTER

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SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): U.S. PRIORITIES
FOR 2007

This is CWC-06-07.

SUMMARY

- 11. (U) While 2006 was dominated by the extension of the U.S. 100% destruction deadline, there will be a number of key issues of importance to the U.S. in 2007. Article VII will remain a critical policy objective throughout the year, with the focus on practical steps to promote full implementation. Early in 2007, it will be necessary to ensure that Iran, currently the only member of the Asian Group angling for the position, does not become the Chair of the Executive Council. Reaching agreement on an acceptable site selection methodology for Other Chemical Production Facilities remains an important goal. It is likely that there will be a discussion of end-point of destruction before the Russian 20% intermediate deadline comes up in April; there is already a dispute as to the amount of its stockpile Russia claims has been "destroyed." Delegation also urges Washington to assess early in the year whether the U.S. may not make its 45% destruction deadline in order to submit the subsequent request for extension before July 1, 2007.
- 12. (U) On budget matters, it will be important to make the case to the Director General on the benefits of submitting a zero nominal growth budget for 2008. And preparations for that budget will include returning in the spring to a wide-ranging discussion on the appropriate number of OCPF inspections. In connection with the celebrations marking the Tenth Anniversary of entry into force of the Convention, the del will continue to assist the Technical Secretariat in using the event to raise the profile of the OPCW. In the second half of 2007, it will be necessary to focus more attention on the preparations for the Second Review Conference in April 2008. And it will continue to be important to press the TS to improve its capabilities to conduct investigations of alleged use. These and other issues are addressed below in roughly descending order of priority. End Summary.

ARTICLE VII

- 13. (U) Full implementation of Article VII remains a key priority, but the focus of the work throughout 2007 will be somewhat different from past years. Until the autumn, there should be few, if any, "policy" issues which need to be discussed in consultations. Instead, the goal is to intensify concrete actions by the TS or individual States Parties toward countries that still fall short on Article VII. The speech by Commerce A/S Padilla at the Conference of States Parties on Article VII with specific proposals ("20 in 10") received a good response, and provides a solid foundation on which to build.
- 14. (U) During a bilateral meeting with A/S Padilla, Amb. Maarten Lak (Netherlands) offered to help organize a small group of delegations that would be willing to reach out to those "20" in Technical Assistance Visits and in other ways. This would allow the workload to be well-organized and logically divided among those States Parties. In A/S Padilla's other bilateral meetings, several other delegations pointed out their ongoing efforts and expressed their

willingness to be part of this outreach effort -- notably, China, Japan, Australia, and Germany. Del will work closely with this small group early in the year to organize our efforts, while coordinating with Washington on what efforts we can undertake.

15. (U) Del will continue working with the TS, particularly Legal Advisor Onate, on their schedule of activities and prompt them to reach out to other SPs to conduct or assist on Technical Assistance Visits and other concrete steps. In addition, it will probably be advisable to convince facilitator Amb. Maarten Lak (Netherlands) to keep the number

of consultations until the autumn to an absolute minimum, since consultations will only provide delegations such as Iran an opportunity to question and block specific TS actions. Certainly by the September EC, it will be necessary to engage on the issue of an extension or follow-on Article VII action in 2008. However, del sees no advantage to raising this issue until the fall.

## AVOIDING AN IRANIAN EC CHAIRMANSHIP

- 16. (SBU) The Chairmanship of the EC, currently held by South Africa, will fall next to the Asian Group. Del has been informed by members of that group that only Iran has made a strong pitch to be EC Chair. While Iran has been a Vice-Chair for a number of years, it is clear that serving as the EC Chair is not acceptable, particularly in view of the active role the EC Chair may take in 2007 in arranging visits to U.S. and Russian CW destruction facilities.
- 17. (SBU) As the new EC Chair will be installed in April, it will be necessary to begin work immediately to block an Iranian Chairmanship. Informally, members of other delegations (such as the UK) have agreed that it would not be possible to accept an Iranian chairmanship. And there is little reason to believe that the Iranian Ambassador would be surprised to hear of objections from the U.S. and other SPs. As for alternative candidates from the Asian Group, the larger delegations (Japan, China) have indicated they would not want the job. One possibility is Malaysian Ambassador Dato Noor Farida Ariffin, who had previously served effectively as the CSP Chair. However, it is not clear how much longer she will remain in The Hague. The South Korean Ambassador is another possibility. Del will keep Washington apprised of discussions with the various possible candidates to serve as EC Chair.

## OCPF SITE SELECTION METHODOLOGY

- 18. (U) If Washington wishes to reach agreement on an acceptable OCPF site selection methodology, this will need to be accomplished by the June EC. A number of delegates who are well-versed on this issue (particularly Betsy Sanders of the U.S. del) depart this summer. It has been difficult enough for delegates to come to grips with this highly technical matter. The arrival of new delegates in the autumn, and the ridiculously steep learning curve on this particular issue, ensures that no decision by June means no decision until 2008.
- 19. (SBU) Del will continue to work with Washington on an acceptable methodology which addresses U.S. concerns. Once that is achieved, it will become necessary to then ensure that a new facilitator is installed. Luis Garcia (Spain) has continued to make deliberations more complicated, and a number of delegations have voiced dissatisfaction.

## END POINT OF DESTRUCTION

110. (U) While it is not clear whether Russia will be able to claim to have met its revised 20% destruction deadline in April, it is pretty clear that there will likely be a debate about how much Russia has actually "destroyed." Several members of the TS have predicted that Russia may draw parallels with U.S. operations in an attempt to strengthen its case. Delegation understands Washington does not intend to redefine EPOD, and will likely need to reassure other delegations, particularly in the WEOG, that this is the case. The UK and Germany have already indicated they will stand firm on their position that destruction credit should be given only after secondary treatment is complete, and that a difference in "accounting" could be a reason to visit Russian destruction facilities.

## U.S. 45% DEADLINE

11. (U) Delegation requests that Washington make a timely assessment of the prospects that the U.S. will make its revised 45% destruction deadline, as a subsequent extension request would need to be submitted no later than July 1, 12007. If that does appear likely, it would be prudent to begin planning for when and how to notify key individuals (such as the Director General), key delegations and all other

2008 BUDGET

(U) It will be important to convey the early message to the DG that the U.S. was pleased with a zero nominal growth budget for 2007 and would like another ZNG budget for 2008. Barring unforeseen circumstances, there is no reason to believe that TS operations would be affected at all by believe that TS operations would be affected at all by another ZNG budget. It will also be important to have Washington's specific "must have" items that should go into the 2008 proposed budget. The inputs from Washington for the 2007 budget were conveyed to the TS early in process while they were preparing that document, and had a significant impact in shaping that document. Del urges Washington to provide the same kind of detailed inputs early in the year so that the U.S. can have the same impact on TS preparation of the proposed 2008 budget. The other task which will need to be addressed in the first half of the year is the selection of a capable budget facilitator or co-facilitators.

OCPF INSPECTIONS

- 113. (U) China, along with a number of NAM delegations, strongly objected to the DG's proposed increase in OCPF inspections in 2007. Part of the outcome was an agreement to have discussions on this issue, which encompasses the larger topic of risk assessment. The key task is to identify the delegate who would sit in the chair (not necessarily to serve as a facilitator) during these discussions. There is no reason that this individual would have to be a budget (co)facilitator. Del will consider various candidates and consult with Washington.
- (U) In view of the importance of this topic, and the likelihood of continued skepticism on the part of China and NAM delegations, the Del will continue to support the TS in making the best possible presentation. Based on past performance, that would indicate that Industry Inspection chief Bill Kane would be the best TS point-person for these discussions.

10TH ANNIVERSARY

(U) TS preparations for the Tenth Anniversary of EIF of the Convention have been underwhelming. Many other delegations have also expressed the view that the OPCW is not fully utilizing one of the few opportunities for the organization to profile itself. Del has been working to assist the TS in its efforts. Indeed, Ambassador Javits has initiated and expended considerable energy on an event to be held in New York. Del will intensify efforts to help the TS promote the 10th anniversary, and prod other SPs to do the same.

SECOND REVCON

116. (U) Amb. Parker (UK), the head of the working group

preparing for the Second RevCon, has pursued work at a suitably modest pace. The February 20 WG session certainly will be livelier, as one of the topics is CW destruction issues, but even the UK anticipates that the pace of work will not pick up until the autumn. Based on the experience of the First RevCon, if Washington has proposals about the overall work schedule for the year, or specific topics such as the initiation of drafting, the UK would certainly welcome those inputs those inputs.

INVESTIGATION OF ALLEGED USE

117. (U) The TS continues to work on improving its capabilities in this area. Most important, it does so in a manner which does not require any policy issues that would need to be raised in a consultation. Similarly, while there have been EC discussions on "noting" or "receiving" Scientific Advisory Board documents on biomedical sampling, that has not hindered the progress the TS has continued to make in developing capabilities in this area. Del will continue to assist the TS in bolstering these capabilities and fending off efforts by delegations to politicize this operational issue.

OTHER ITEMS OF CONTINUING CONCERN: AMCIT HIRING

118. (U) Dl will continue to press for more Amcit hiring bythe TS. In particular, the del is working to idenify suitable U.S. candidates for the P3 and P4 ispector positions, the particular pay grade at wich Amcit representation is most deficient.

ARTICLE XI

119. (U) Whilethere was a flurry of NAM activity at the Decembr CSP, there ultimately was no mention of an actio plan for Article XI. Instead, all delegations greed that the first step is to identify a faciltator to handle this issue. While Riva Das (Indi) initially was identified as the Article XI faclitator, she has repeatedly said she does not wat that role, and there is no indication that any oher delegate is ready to accept it. Should somene come forward and consultations begin, the longstanding U.S. objection to anything which touche on export controls (and the Australia Group) cotinues to be supported by numerous other AG deleations.

INDUSTRY-RELAED ISSUES

- 120. (U) Thee are a number of issues on which it would be god to reach a resolution this year. On late declartions, it would be worthwhile to get a decision n "nil" declarations. The del will also work wih the TS to prepare for sampling and analysis durng a Schedule 2 subsequent inspection in the U.S And the del will be working to finalize the Scedule 2 facility agreement as requested by that ite.
- 121. (U) It also will be necessary to re-asess how industry issues are being handled, both n process and substance. The industry week arragement is becoming increasingly obsolete. It doe not seem an appropriate use of resources to gathe

experts for the few remaining issues (with the xception of OCPF site selection). On issues thatare truly important (such as the appropriate numer of OCPF inspections), no delegation would want that limited to industry week. It also is necessary to consider whether consultations are the optimum way to proceed with key issues. It may be more valuable (and much easier) to engage the TS on an issue such as inspector training, and press the TS to take action.

IRAQ

122. (U) There seems to be general TS satisfaction that the outcome of the December workshop in Jordan has left the Iraqis close to being able to complete an acceptable initial declaration whenever the Iraqi Parliament decides to act on accession. There is every reason to expect that many delegations (Iran in particular) will scrutinize that declaration quite closely. In addition, the del notes that there may be several questions put to the U.S. regarding Iraq as a result of various press items concerning periodic U.S. recovery and handling of Iraqi CW munitions.

RESULTS-BASED BUDGETING

 $\underline{\mathbf{1}}$ 23. (U) The TS is continuing to refine its implementation of RBB. The del will prod the TS (Deputy DG Freeman in particular) to sharpen the focus of the performance indicators and expand the use of RBB by more TS divisions.

AFRICA OFFICE

124. (U) Facilitator Andres Rugeles (Colombia) has moved this issue along prudently and kept the focus on information gathering and assessment of various options. Delegation will continue to assist Rugeles in fending off moves by some members of the African Group for a decision that would lock in any type of permanent office.

CHALLENGE INSPECTIONS

125. (U) There is still no facilitator for this issue, and no indication that any delegate is interested in taking the job. Should the consultation be resuscitated, there is no reason to expect any change in the position of delegations, and therefore no reason to expect any progress. Some WEOG delegations have expressed interest in a challenge Inspection exercise that would involve the EC, but in the absence of consultations are unlikely to pursue such an initiative. However, what is most important is that the TS is continuing to move along with the practical steps needed to prepare for

a challenge inspection. The del will continue to assist the  ${\tt TS}$  in that nuts-and-bolts process.

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 $\underline{\ }$ 26. (U) As Betsy Sanders (U.S.) will be departing this summer, a new facilitator will have to be identified.

 $\P27.$  (U) Javits sends. ARNALL